

Your Project at a Glance

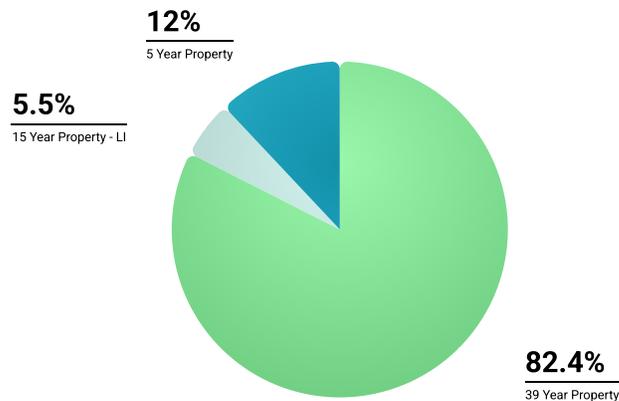
Prepared for:
3333 Quebec St, Denver, CO 80207

Property Type	Hotel 8-24
Purchase Price	\$9,000,000
Placed in Service Date	9/1/2025
Depreciable Years	39
Total Depreciable Value: (Net of Land)	\$7,650,000

How your Depreciation is Calculated: A 6-year Snapshot

<p>Without Cost Segregation</p> <p>With the standard method, you claim an even amount of depreciation annually over the depreciable life of the property, offering you just a small benefit yearly.</p> <p>First year savings: \$57,299</p> <p>Total 6 year savings: \$1,038,029</p>	<p>1-6 Year Method</p> <p>Cost-seg gives you the option to collect your depreciation over a shorter period of time for select assets. Instead of waiting the total depreciable time, you claim it as a deduction over the first 6 years.</p> <p>First year savings: \$115,732</p> <p>Total 6 year savings: \$1,954,920</p>	<p>First-Year 100% Method</p> <p><small>BONUS METHOD</small></p> <p>For many, the best way to maximize cash flow is to use the first-year Bonus method: claim 100% of your depreciation for select assets in the first year, allowing all unused depreciation to carry forward to following years.</p> <p>First year savings: \$1,392,885</p> <p>Total 6 year savings: \$2,201,101</p>
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Your Assets which can be Reclassified for Cost Segregation:



Your Project at a Glance

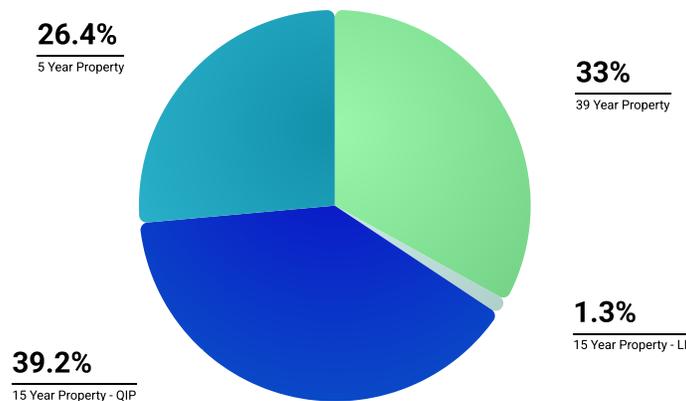
Prepared for:
3333 Quebec St, Denver, CO 80207

Project Type	Hotel 8-24
Renovations Total Costs	\$9,937,750
Placed in Service Date	9/1/2026
Depreciable Years	39
Total Depreciable Value: (Net of Land)	\$9,937,750

How your Depreciation is Calculated: A 6-year Snapshot

Without Cost Segregation	1-6 Year Method	First-Year 100% Method <small>BONUS METHOD</small>
<p>With the standard method, you claim an even amount of depreciation annually over the depreciable life of the property, offering you just a small benefit yearly.</p>	<p>Cost-seg gives you the option to collect your depreciation over a shorter period of time for select assets. Instead of waiting the total depreciable time, you claim it as a deduction over the first 6 years.</p>	<p>For many, the best way to maximize cash flow is to use the first-year Bonus method: claim 100% of your depreciation for select assets in the first year, allowing all unused depreciation to carry forward to following years.</p>
<p>First year savings: \$74,434</p> <p>Total 6 year savings: \$1,348,453</p>	<p>First year savings: \$686,666</p> <p>Total 6 year savings: \$4,559,756</p>	<p>First year savings: \$6,679,870</p> <p>Total 6 year savings: \$7,100,682</p>

Your Assets which can be Reclassified for Cost Segregation:





December 24, 2025

Proposal ID #: EL-39557

Mr. Alex Cartwright
c/o Vilicus Capital
2828 Kraft Avenue Southeast
Grand Rapids, MI 49512

Dear Mr. Cartwright,

Thank you for the opportunity to provide cost segregation services to Vilicus Capital ("Vilicus Capital" or "Company" or "Client"). The purpose of this Engagement Letter (which includes Attachment A hereto) is to confirm the scope and terms of the engagement between Vilicus Capital and Madison SPECS LLC ("Specs" or "Firm").

Cost Segregation Services

- **Scope of Work and Objectives**

The Services we will provide under this Engagement Letter (sometimes referred to as "Scope of Work") consist of the review and segregation of the costs incurred by Vilicus Capital for 1) the purchase of a 234,576 square foot hotel located at 3333 Quebec St in Denver, CO 80207, and 2) the subsequent renovations (approx. \$9,937,750 spend) that will take place at the property. The study includes an analysis of the entire property, including all Land Improvements. During the study, Madison SPECS will determine the cost of certain properties appurtenant to real estate that qualify for lives that are shorter than Commercial 39-year depreciable property. This will be accomplished employing cost segregation techniques utilizing the engineering/cost method, which consists of a detailed quantity take-off/unit cost estimating approach with respect to each classified property type.

Upon completion of the study, Vilicus Capital will receive the following deliverables:

1. An electronic audit-ready report summarizing our findings.
2. Excel schedules necessary to complete the upload into Vilicus Capital's Fixed Asset System and Tax Returns upon request.
3. Hard copy binders can be made available upon request at a charge of \$50 per binder plus shipping costs.



Only the Services described above are covered by this Engagement Letter. Upon your request, we would be pleased to discuss providing the Company with additional services and to provide you with a fee estimate for those services.

Our Services will be based primarily upon information furnished by the Company. Madison SPECS assumes no contractual responsibility to verify independently the accuracy, completeness or sufficiency of any such information. We will also perform at least one inspection of the premises in question. However, we reserve the right to make an independent investigation of facts whenever, in our sole judgment, we believe that there is a duty of inquiry or we believe that further investigation is consistent with good tax practice. The following are examples of due diligence efforts that we may find necessary to undertake: We may require in some cases that the Company (and other parties, as we deem necessary), provide us with signed representation letters setting forth certain facts and assumptions, for which we may seek follow-up information or independent verification. We may inform the Company that we require sufficient opportunity to review draft documents and agreements related to the matters for which our tax advice is sought before such items are executed or finalized by the Company. We may require additional onsite inspections of the property. Our information requests to the Company may not be limited to these examples.

Under applicable professional standards, particularly including 31 CFR 10.35, the facts and circumstances of the engagement and/or the results of our tax analysis may require that we caveat our advice to the Company, whether oral or written. For example, if we are unable to reach a conclusion on a particular significant federal tax issue at a level of at least "more likely than not," then 31 CFR 10.35(e)(4) requires that we prominently disclose that fact and the fact that our opinion on that significant federal tax question cannot be used by the taxpayer for the purpose of avoiding penalties that may be imposed.

Timing

We will work hard to provide outstanding service and meet our agreed upon deadlines. We will send you a list of information ("Request for Information" or "RFI") that we will need in order to complete our Services. This requires a cooperative effort between us. Late delivery of information and last minute client-requested schedule changes may result in inefficiencies and in additional effort on our part that may result in higher fees.

Fees and Payment Terms

- **Fees**

Our fees for this engagement will be \$11,200, all expenses inclusive.

Circumstances may arise that will require us to do more work than reasonably contemplated by this engagement. Some of the more common circumstances include, but are not limited to: an intervening change in tax laws, regulations, judicial decisions, or administrative pronouncements, extensive due diligence efforts, errors in your records, failure of your staff to furnish accurate and complete information in a timely manner, insufficient notice of your inability to meet scheduling commitments, and unforeseen events. Should any services be required outside the scope of this agreement that require additional time, that time will be invoiced at the rate of \$300 per hour. Fees for services that you may request that are beyond the scope of this engagement letter are in addition to the fee quotations provided above and will be communicated to Vilicus Capital prior to the commencement thereof.



- **Payment Schedule**

Terms of payment will consist of the following:

\$5,600 as a retainer

\$5,600 upon receipt of draft reports

We require a retainer payment of 50% of the total fee with the executed engagement letter for our project team to start work on this project. Upon completion of our study we will issue our summary of results and invoice you the remaining balance. All subsequent payments are due within 30 days from date of invoice.

If the Company fails to meet any payment obligation under this Engagement Letter, within ten (10) days following receipt of written notice of your delinquent account, Madison SPECS may immediately: (i) suspend performance of the Services, or (ii) terminate this Engagement Letter. If we elect to suspend our performance due to nonpayment, the Services will not be resumed until your account is paid as agreed, including the payment of any retainer that we may require for continuing services. Alternatively, if we elect to terminate the Services due to nonpayment, you will be obligated to compensate us for all damages recoverable in contract law. These damages include (but are not limited to) payment in full for services rendered together with profits that would have accrued upon performance of the balance of the contract.

- **Other Matters**

Please confirm your acceptance of this Engagement Letter, including the Terms and Conditions in **Attachment A**, by signing below and returning the Engagement Letter to me. We look forward to the opportunity to serve you. Very truly yours,



Madison Specs LLC

Eli S. Loebenberg CPA
Chief Executive Officer, Managing Member
Madison SPECS LLC
Enc. Attachment A

Agreed and Accepted:

The foregoing letter fully describes our understanding and is accepted by us.

Vilicus Capital

By: _____ Date: _____

Title: _____



STANDARD MADISON SPECS LLC ENGAGEMENT TERMS AND CONDITIONS

1. SPECS will conduct a virtual "walk-through", survey of only those areas that are readily observable, easily accessible, and deemed safe by SPECS at the time of the site visit. Facades will be surveyed from grade or roof terraces, if any. SPECS's survey will not include indoor air quality, issues regarding mold or fungus, hazardous wastes, EMF, high voltage lines, power sources, toxic materials, or asbestos (whether within the building or on the site).
2. Included in this agreement, SPECS will provide for audit representation. Should this cost segregation study be selected for audit, Madison SPECS will defend the report to the full extent necessary, at no additional cost.
3. The attached proposal and these Terms and Conditions embody the complete understanding of the parties. All prior negotiations, agreements and provisions, whether oral or written, that are not expressly incorporated into the attached proposal and these Terms and Conditions are null and void. Neither the proposal, Scope of Work, nor Terms and Conditions can be modified except by the written agreement of both parties. Any purchase order or similar document issued by the Client is not accepted by SPECS and is null and void. In the event of any conflict or inconsistency between the provisions set forth in the engagement letter and these Terms and Conditions, the provisions of the engagement letter shall govern.
4. When the written report is submitted to the Client that satisfies the requirements of the Scope of the Work the draft report shall be deemed acceptable and final, unless Client responds to SPECS within 10 working days from receipt of that report and unless the Client responds to SPECS by the end of the period, the report will be considered final and will be issued accordingly.
5. Client shall indemnify and hold harmless SPECS and its principals, employees, agents, representatives, successors and assigns, from and against any and all claims, liabilities, losses, damages, costs and expenses including, without limitation, reasonable legal fees and costs of litigation relating to the use made by the Client of SPECS Services, except to the extent that it is finally judicially determined that such claims, liabilities, losses, damages, costs or expenses were caused by bad faith or willful misconduct on the part of SPECS, its principals, employees, agents or representatives. Under no circumstances shall SPECS be held liable for losses or damages incurred by Client through any use of the cost segregation report prepared by SPECS pursuant to this agreement other than for the purpose of justifying accelerated depreciation on federal and related state and local tax returns. Client acknowledges that SPECS is a limited liability company, and Client agrees that any claim made by Client, its successors or assigns arising out of any act of omission of SPECS and or its principals, employees, agents or representatives in the execution or performance of the Agreement shall be made against SPECS and not against such principal, employee, agent or representative.

6. The original feasibility analysis that was performed by SPECS may have included a preliminary estimate of the "increase in after tax cash flow" based upon information provided by the client. The estimate of the additional cash flow is only a preliminary gauge since certain site-specific variables have not been analyzed such as accrued physical deterioration, tenant work letters, quality of construction, etc. These factors will have a substantial impact on whether the final results exceed or fall short of expectations. Therefore, the client is best served to await final results of the project for tax planning purposes.

7. SPECS's opinions are not intended to be, nor should they be construed as, a report, insurance policy, guarantee or warranty (whether express or implied) regarding the condition of the building and building compliance with local, state or national building, structural, plumbing, electrical and zoning codes of ordinances.

8. SPECS is not responsible for the lack of information that would affect SPECS's opinion of value, if such information was not timely provided by Client to SPECS.

9. Client agrees that the liability of SPECS's, its employees, officers, directors, agents, consultants and subcontractors, to Client and to any party claiming by or through Client for compensatory, exemplary and punitive damages, for loss and/or for expenses incurred due to any breach of contract and/or any alleged act of professional negligence in the performance or in the failure to perform acts in furtherance of the this contract shall be limited to the amount of fees otherwise paid by Client under this Agreement.

10. SPECS shall not be liable for any delays or for non-performance resulting from circumstances or causes beyond its reasonable control, including without limitation: acts or omissions or the failures by any third party, fire or other casualty, acts of God, strikes, labor dispute, war and other violence, and any law, order or requirement of any governmental agency or authority.

11. No action, regardless of form, relating to the engagement letter, Scope of Work, these Terms and Conditions and Services to be performed there under may be brought by either party more than one year after the cause of action has accrued.